

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

Lordstown Motors Corp., *et al.*,¹

Debtors.

Chapter 11

Case No. 23-10831 (MFW)

(Jointly Administered)

Obj. Deadline: Mar. 7, 2024 at 4:00 pm (ET)
Hearing Date: Mar. 14, 2024 at 3:00 pm (ET)

**SUMMARY OF SECOND INTERIM FEE APPLICATION OF
JEFFERIES LLC AS INVESTMENT BANKER FOR THE DEBTORS AND DEBTORS IN
POSSESSION FOR COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD FROM
OCTOBER 1, 2023 TO AND INCLUDING DECEMBER 31, 2023**

Name of Applicant:	<u>Jefferies LLC</u>
Authorized to Provide Professional Services to:	<u>Debtors and Debtors in Possession</u>
Date of Retention:	<u>July 25, 2023 effective as of June 27, 2023</u>
Period for which Compensation and Reimbursement is Sought:	<u>October 1, 2023 – December 31, 2023</u>
Amount of Compensation Sought as Actual, Reasonable and Necessary:	<u>\$2,200,000.00</u> ²

¹ The Debtors in these chapter 11 cases (these “**Chapter 11 Cases**”), along with the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Debtors’ service address is 27000 Hills Tech Ct., Farmington Hills, MI 48331.

² This amount is on account of the (i) net \$2,000,000.00 M&A Transaction Fee on account of the M&A Transaction approved pursuant to the *Order (I) Authorizing and Approving the Sale of Certain of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests; (II) Authorizing the Debtors to Enter into and Perform Their Obligations under the Asset Purchase Agreement; (III) Authorizing the Assumption and Assignment of Certain Executory Contracts in Connection Therewith; (IV) Authorizing the Sale Transaction; and (V) Granting Related Relief (“Sale Order”)* [Docket No. 586] and (ii) October 2023 Monthly Fee (as defined below). To date, five full Monthly Fees have been paid to Jefferies for the months of June, July, August, September and October 2023. These five Monthly Fees are credited against the gross \$3,000,000.00 M&A Transaction Fee pursuant to the Retention Order and Engagement Agreement (both as defined below) (\$3,000,000.00 – \$1,000,000.00 = \$2,000,000.00). Accordingly, the net M&A Transaction Fee is \$2,000,000.00.

Amount of Expense Reimbursement Sought as \$22,686.07³
Actual, Reasonable and Necessary:

This is a(n) ___ monthly X interim ___ final application.

³ As noted in the Retention Application (as defined below), Jefferies received an expense advance in the amount of \$25,000.00 prior to the Petition Date. After the application of prepetition expenses, \$6,463.00 remains to be applied against the postpetition expenses set forth herein.

**SECOND INTERIM FEE APPLICATION OF JEFFERIES LLC
AS INVESTMENT BANKER FOR THE DEBTORS AND DEBTORS IN POSSESSION**

PRIOR FEE STATEMENTS

	REQUESTED		PAID		OUTSTANDING	
APPLICATION	FEES	EXPENSES	FEES	EXPENSES	FEES	EXPENSES
First Consolidated Monthly Fee Application [Docket No. 702] 6/27/23-9/30/23	\$600,000.00	\$38,459.31	\$600,000.00 ¹	\$38,459.31	\$0.00	\$0.00
First Interim Fee Application [Docket No. 703] 6/27/23-9/30/23	\$600,000.00	\$38,459.31	\$600,000.00	\$38,459.31	\$0.00	\$0.00
Second Consolidated Monthly Fee Application [Docket No. 880] 10/1/23-10/31-23	\$2,200,000.00	\$8,856.07	\$1,800,000.00	\$8,856.07	\$400,000.00	\$0.00

¹ The Retention Order (as defined herein) authorizes the Debtor to pay Jefferies' monthly fees (the "**Monthly Fees**") each month when required under the Engagement Letter (as defined below) without the need to file a prior fee application; provided however, that such Monthly Fees shall be subject to review and approval in any interim and final fee applications.

**SECOND INTERIM FEE APPLICATION OF JEFFERIES LLC AS INVESTMENT
BANKER FOR THE DEBTORS AND DEBTORS IN POSSESSION**

HOURS BY PROFESSIONAL AND PROJECT CATEGORY

October 1, 2023 – December 31, 2023

Summary of Hours by Category

October 1, 2023 - December 31, 2023

Category Code #		Hours
1	Case Administration / General	63.0
2	Sale Process	39.0
3	Creditor Communication	-
4	Debtor Communication	-
5	DIP Financing	-
6	Testimony Preparation	-
7	Plan of Reorganization	4.5
8	Travel	-
9	Due Diligence / Analysis	1.0
10	Business Plan	-
11	Process Update and Case Strategy	71.5
Total		179.0

Summary of Hours by Professional

October 1, 2023 - December 31, 2023

Name	Position	Hours
Sean Costello	Managing Director, Mobility and Technology	6.5
Jeffrey Finger	Managing Director, Co-Head of US Debt Advisory and Restructuring	23.0
Ryan Hamilton	Senior Vice President, Debt Advisory and Restructuring	34.5
Kevin Lisanti	Vice President, Debt Advisory and Restructuring	37.5
Kelly Pasekoff	Vice President, Mobility and Technology	6.5
Lars Hultgren	Analyst, Debt Advisory and Restructuring	71.0
Total		179.0

**SECOND INTERIM FEE APPLICATION OF JEFFERIES LLC
AS INVESTMENT BANKER FOR THE DEBTORS AND DEBTORS IN POSSESSION**

EXPENSES BY CATEGORY
October 1, 2023 – December 31, 2023

Jefferies LLC
Summary of Expenses by Category
October 1 - December 31, 2023

Category	Expenses
Employee Overtime Meal	\$260.93
Non-Employee Meal	\$110.00
Transportation	\$76.14
Legal Fees	\$22,239.00
Total	\$22,686.07

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Jefferies LLC (“**Jefferies**”), the investment banker for the above captioned debtors and debtors in possession (collectively, the “**Debtors**”), hereby files this second interim fee application (this “**Interim Fee Application**”), pursuant to sections 328, 330 and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”), rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Chapter 11 Professionals and Committee Members* [Docket No. 181] (the “**Interim Compensation Order**”), requesting (a) interim allowance of compensation for professional services to the Debtors during the period from October 1, 2023 to and including December 31, 2023 (the “**Interim Compensation Period**”) in the amount of \$2,200,000.00, (b) interim allowance of Jefferies’ expenses incurred during the Interim Compensation Period in

¹ The Debtors in these chapter 11 cases (these “**Chapter 11 Cases**”), along with the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Debtors’ service address is 27000 Hills Tech Ct., Farmington Hills, MI 48331.

connection with such services in the amount of \$22,686.07, and (c) payment of all such allowed expenses, less any amounts previously paid for such expenses. In support of this Interim Fee Application, Jefferies respectfully states as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (this “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory and other bases for the relief requested in this Monthly Fee Application are sections 328(a), 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, Local Rule 2016-2, the Interim Compensation Order, and the Retention Order (as defined below).

BACKGROUND

3. On June 27, 2023 (the “**Petition Date**”), each of the Debtors filed with this Court a voluntary petition for relief under the Bankruptcy Code. Each Debtor continues to operate its business and manage its properties as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Court entered an order on June 28, 2023 authorizing joint administration of these chapter 11 cases [Docket No. 53].

4. On July 6, 2023, the Debtors filed an application to retain and employ Jefferies as their investment banker [Docket No. 88] (the “**Retention Application**”), effective as of the Petition Date, pursuant to the terms of that certain engagement letter between Jefferies and the

Debtors, dated as of June 26, 2023, (together with the Annex and the Indemnification Provisions attached thereto, the “**Engagement Letter**”).²

5. On July 25, 2023, the Court entered the order approving the Retention Application [Docket No. 188] (the “**Retention Order**”). A copy of the Engagement Letter was appended to the Retention Order as Exhibit 1.

6. Also on July 25, 2023, the Court entered the Interim Compensation Order, which generally sets forth the procedures for interim compensation and expense reimbursement for retained professionals in the Debtors’ chapter 11 cases

7. On November 14, 2023, Jefferies filed the (i) *First Consolidated Monthly Application of Jefferies LLC for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Investment Banker to the Debtors and Debtors in Possession for the Period of June 27, 2023 to and Including September 30, 2023* (“**First Consolidated Monthly Fee Application**”) and (ii) *First Interim Fee Application of Jefferies LLC as Investment Banker for the Debtors and Debtors in Possession for Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred for the Period from June 27, 2023 to and Including September 30, 2023* (“**First Interim Fee Application**”), in accordance with the Interim Compensation Order. The objection deadlines for the First Consolidated Monthly Fee Application and First Interim Fee Application ran on December 4, 2023. On December 14, 2023, the Court entered the First Omnibus Order Awarding Interim Allowance of Compensation for Services Rendered and for Reimbursement of Expenses [Docket No. 821] approving the fees and expenses requested in the First Interim Fee Application.

² Unless otherwise stated, all capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Engagement Letter.

8. On January 2, 2024, Jefferies filed the *Second Monthly Application of Jefferies LLC for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred as Investment Banker to the Debtors and Debtors in Possession for the Period from October 1, 2023 to and Including October 31, 2023* (“**Second Monthly Fee Application**”). On January 22, 2024, the objection deadline for the Second Monthly Fee Application ran, and the Debtors filed a certificate of no objection on January 24, 2024 [Docket No. 932].

RELIEF REQUESTED

9. By this Interim Fee Application, Jefferies requests (a) interim allowance of compensation for professional services to the Debtors during the Interim Compensation Period in the amount of \$2,200,000.00, (b) interim allowance of Jefferies’ expenses incurred during the Interim Compensation Period in connection with such services in the amount of \$22,686.07, and (c) payment of all such allowed expenses, less any amounts previously paid for such expenses.

10. With respect to the M&A Transaction Fee, Jefferies earned a \$3,000,000.00 M&A Transaction Fee on account of the M&A Transaction approved pursuant to the Sale Order. Pursuant to the Retention Order and Engagement letter, Monthly Fees are credited against the M&A Transaction Fee. To date, five full Monthly Fees have been paid to Jefferies for the months of June, July, August, September and October 2023. After crediting of these five Monthly Fees, the net M&A Transaction Fee is \$2,000,000.00 (\$3,000,000.00 – \$1,000,000.00 = \$2,000,000.00).

11. As noted above, Jefferies earned one Monthly Fee in the amount of \$200,000.00 for the month of October 2023.³ The Retention Order permits the Debtors to pay Jefferies’

³ Jefferies is not seeking payment for the November and December 2023 Monthly Fees that became payable to Jefferies during the Interim Compensation Period. Pursuant to the Engagement Letter and Retention Order, payment of these Monthly Fees would be credited against the M&A Transaction Fee.

Monthly Fees each month when required under the Engagement Letter without the need to file a prior fee application, subject to review and approval in any interim and final fee applications. Accordingly, Jefferies is hereby seeking allowance of the October Monthly Fee pursuant to the Retention Order and the Interim Compensation Order.

SUMMARY OF SERVICES

12. Although Jefferies, in line with market convention, does not bill by the hour, Jefferies has kept track of its post-petition time in one-half hour increments in accordance with the Retention Order. Such time records are attached hereto as **Exhibit A**. During the Interim Compensation Period, Jefferies professionals spent approximately 179 hours providing investment banking services to the Debtors.

13. The fees charged by Jefferies have been billed in accordance with the Engagement Letter and the Retention Order and are comparable to those fees charged by Jefferies for professional services rendered in connection with similar chapter 11 cases and non-bankruptcy matters. Jefferies submits that such fees are reasonable based upon the customary compensation charged by similarly skilled practitioners in comparable bankruptcy cases and non-bankruptcy matters in the competitive national investment banking market.

14. There is no agreement or understanding between Jefferies and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these chapter 11 cases.

ACTUAL AND NECESSARY EXPENSES

15. Jefferies also incurred certain necessary expenses during the Interim Compensation Period for which it is entitled to reimbursement under the Engagement Letter. As set forth in the Second Consolidated Monthly Fee Application, Jefferies' expenses incurred

during the Interim Compensation Period in connection with its services to the Debtors are \$22,686.07.⁴ The detail for such expenses is set forth on **Exhibit B** to the Second Consolidated Monthly Fee Application.

CERTIFICATION OF COMPLIANCE

16. The undersigned has reviewed the requirements of Local Rule 2016-2 and certifies that, to the best of his knowledge, information and belief, this Interim Fee Application complies with that rule.

WHEREFORE, Jefferies hereby files this Interim Fee Application requesting (a) interim allowance of compensation for professional services to the Debtors during the Interim Compensation Period in the amount of \$2,200,000.00, (b) interim allowance of Jefferies' expenses incurred during the Interim Compensation Period in connection with such services in the amount of \$22,686.07 and (c) payment of all such allowed expenses, less any amounts previously paid for such expenses.

Dated: February 14, 2024
New York, New York

JEFFERIES LLC
/s/ Jeffrey Finger
Jeffrey Finger
Managing Director
Jefferies LLC

⁴ Additionally, as set forth in the Retention Application, Jefferies received a \$25,000.00 expense advance from the Debtors prior to the Petition Date. After the application of prepetition expenses, \$6,463.00 remains to be applied against the postpetition expenses set forth herein.